

Written Testimony of Sandra Grance American Beverage Association

Before the Committee of Children Opposition to H.B. 5461 – Beverage and Candy Tax February 17, 2015

Good afternoon, Chair Bartolomeo and Chair Urban and members of the Committee. Thank you for the opportunity to comment in opposition to H.B. 5461 - a beverage and candy tax.

I am Sandra Grance, senior director of state and local affairs for the American Beverage Association (ABA) in Washington, D.C. The American Beverage Association is the trade association representing the non-alcoholic beverage industry. ABA represents hundreds of beverage producers, distributors, franchise companies and supporting businesses that employ more than 233,000 people across the country.

ABA members offer consumers myriad brands, flavors and packaging choices and a full range of drink options including soft drinks, diet soft drinks, ready-to-drink teas, bottled waters, water beverages, 100 percent juice, juice drinks, sports drinks and energy drinks.

Beverage Industry's Impact on Connecticut's Economy:

The beverage industry is an important part of Connecticut's economy. Unlike many consumer products, many beverages are manufactured and distributed in Connecticut – and by local workers.

Non-alcoholic beverage companies in Connecticut provide more than 1,850 good-paying jobs across our state and help to support many thousands more workers in restaurants, grocery stores and more that depend, in part, on beverage sales for their livelihood.

Obesity is a Complex Problem with No Simple Solution

Many factors contribute to obesity and related health problems. Singling out a couple of products for taxation isn't going to make a dent in a problem as complex as obesity. If Connecticut citizens want to get serious about obesity, we need to encourage a balanced diet with sensible consumption of all foods and beverages and promote more physical activity and exercise for all citizens. The beverage industry is committed to being a part of the solution and educating consumers about balancing calories with what you eat, drink and do.

The beverage industry is taking proactive measures to provide information, options and support to empower consumers to make the choices that are right for them.

- More Choices: The beverage industry offers an ever-increasing selection of low- and no-calorie beverage options, as well as various serving sizes. In fact, 45 percent of all non-alcoholic beverages sold today have zero calories.
- Voluntary national school beverage guidelines: We <u>removed full-calorie sodas from schools</u> and replaced them with a range of lower-calorie, nutritious, and smaller-portion choices, lowering the number of beverage calories in schools nationwide by 90 percent.
- Clear on Calories: We <u>added calorie labels to the front of every can</u>, <u>bottle and pack</u> produced by the nation's largest beverage companies in support of First Lady Michelle Obama's "Let's Move!" anti-obesity campaign making it easier to make the choice that's right for consumers.
- Calories Count: We <u>labeled vending machines</u> to offer consumers clear <u>calorie</u> <u>information</u>, <u>encourage lower-calorie beverage choices</u>, and remind consumers that calories count in all the choices they make.
- Balance Calories: The beverage industry recently started a national, multi-year effort, in partnership with the Alliance for a Healthier Generation. The goal of this effort is <u>to</u> reduce beverage calories consumed per person by 20 percent by 2025 through increasing access to no- and low-calorie options, bottled water and smaller portion sizes.
- Mixify: In conjunction with Balance Calories, we launched an integrated consumer
 awareness and engagement program that talks to teens and their parents about the
 importance of balancing physical activity and what they drink and eat.

Commonsense tells us – and science proves for us – that taxes do not make people healthier. Making smart, educated decisions about diet and exercise do that.

Soda taxes won't work. Taxes don't make people healthier.

- A review by George Mason University researchers showed that a 20 percent tax on soda would reduce an obese person's Body Mass Index from 40 to 39.98 an amount not even measurable on a bathroom scale.
- West Virginia and Arkansas are the only two states with an excise tax on soda, yet both states rank among the highest obesity rates in the country, according to the CDC.

The Public Opposes Discriminatory Taxes on Beverages:

In the past few years, beverage tax proposals have been defeated in several dozen cities and states across the state, with only the city of Berkeley, California recently approving a tax. No state has implemented a soft drink tax in over 20 years.

Recognizing that these unfair taxes cause economic damage, eight states repealed their beverage taxes in the 1990s.

The public is sending a consistent, resounding message against discriminatory beverage taxes, making it clear that they are able to make their own decisions about what to eat or drink without government help. A tax on common grocery items like beverages is regressive and disproportionately hurts the most those who can least afford it.

Conclusion

If we really want to have a significant effect on the state's obesity rates, we need to look at comprehensive solutions that will have a meaningful and lasting impact on citizens, not simplistic approaches targeting one portion of the items in our grocery cart for taxation.

A beverage tax unfairly lays the blame for obesity on the consumption of one particular product. Taxing soft drinks or any other single food or food ingredient is simplistic and unjustified.

Sincerely, Sandra Grance